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11 UNITED STATES OF AMERICA

12 UNITED STATES DISTRICT COURT  
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
14 WESTERN DIVISION

15 UNITED STATES OF AMERICA,  
16 Plaintiff,  
17 v.  
18 \$47,379.00 IN U.S. CURRENCY,  
19 Defendant.  
20

Case No. CV 17-03815

**VERIFIED COMPLAINT FOR FORFEITURE**

18 U.S.C. §§ 981(a)(1)(A) and (C),  
and 21 U.S.C. § 881(a)(6)

[DEA]

21  
22 Plaintiff United States of America brings this claim against the  
23 defendant \$47,379.00 in U.S. Currency, and alleges as follows:

24 **I. JURISDICTION AND VENUE**

25 1. The government brings this in rem forfeiture action under  
26 18 U.S.C. §§ 981(a)(1)(A) and (C), and 21 U.S.C § 881(a)(6).

27 2. This Court has jurisdiction over the matter under 28 U.S.C.  
28 §§ 1345 and 1355.

1           3.    Venue lies in this district pursuant to 28 U.S.C.  
2   § 1395(b).

3                                   **II.   PERSONS AND ENTITIES**

4           4.    The plaintiff in this action is the United States of  
5   America (the "government").

6           5.    The defendant is \$47,379.00 in U.S. Currency (the  
7   "defendant currency") seized during the execution of a Federal search  
8   and seizure warrant at the Fu Yi Store (the "Fu Yi Store"), located  
9   at 127 South Garfield Avenue, Suite A, Monterey Park, California, and  
10  operated by Xiubin Yu ("X.Yu").

11          6.    The defendant currency was seized on or about November 29,  
12  2016, by law enforcement officers and is currently in the custody of  
13  the United States Marshals Service in this District, where it shall  
14  remain subject to the jurisdiction of this Court during the pendency  
15  of this action.

16          7.    The interests of X.Yu, Zhan Lin ("Z.Lin"), Meilin Yu  
17  ("M.Yu"), Honghai Lin ("H.Lin") and Ting Lin ("T.Lin") may be  
18  adversely affected by these proceedings.

19                                   **III.   EVIDENCE SUPPORTING FORFEITURE**

20                   **A.    BACKGROUND CONCERNING "HAWALA" MONEY LAUNDERING**  
21                   **TRANSACTIONS**

22          8.    The "hawala" system, also known by other names such as  
23  "flying money," is an informal monetary remittance system often used  
24  to transfer money within the United States and from one country to  
25  another. While the hawala system can be used for legitimate purposes  
26  at times, the system is also exploited by persons seeking, among  
27  other things, to conceal the location, source, ownership and/or  
28  control of the proceeds of narcotics trafficking and other unlawful  
activities. Because hawala transactions are unregulated and not

1 subject to the scrutiny of law enforcement or financial institutions,  
2 significant monetary transfers can occur without detection.

3 9. Typically, a hawala transaction begins when an individual  
4 (the sender) wishes to transfer a certain amount of money to an  
5 associate (the recipient) either domestically or overseas. The  
6 sender contacts a local "hawaladar" (i.e., an agent, broker or  
7 courier in a hawala system) who typically charges a percentage based  
8 fee to complete the cash transaction. The sender's hawaladar then  
9 contacts a hawaladar in the recipient's area who provides the  
10 recipient with the designated amount of cash. Once the cash has been  
11 transferred to the recipient, a separate transaction can occur  
12 between the hawaladars in both the originating and receiving  
13 locations. The debt can be reconciled through a number of different  
14 means, including the exchange of cash or merchandise, the illicit  
15 transfer of cash through couriers, and the laundering of money  
16 through legitimate businesses associated with the hawala system.

17 **B. EVIDENCE OF MONEY LAUNDERING OF PRESUMED DRUG TRAFFICKING**  
18 **PROCEEDS AND UNLICENSED MONEY TRANSMISSION**

19 10. As described below, X.Yu, Z.Lin, T.Lin and H.Lin  
20 (collectively, the "hawaladars") have conspired to launder money in  
21 and around New York City, New York, Los Angeles, California, and  
22 elsewhere. Below are summaries of several money laundering  
23 transactions in the form of interstate money transmissions conducted  
24 by and through the hawaladars, showing, among other things, that the  
25 hawaladars are involved in laundering bulk cash represented to be the  
26 proceeds of and used in drug trafficking.

27 11. Upon information and belief, at no time between September  
28 8, 2015, and November 16, 2016, was X.Yu or the Fu Yi Store licensed  
to transmit money.

1                    ***i. September 2015 Money Transmission***

2            12. According to records of the California Secretary of State,  
3 X.Yu is the Chief Executive Officer, Secretary and Chief Financial  
4 Officer of a "wholesale and retail trading company" located in  
5 Monterey Park, California, known as the Fu Yi Store.

6            13. On or about September 8, 2015, during an undercover  
7 operation by the Drug Enforcement Administration ("DEA"), X.Yu told a  
8 DEA Operative ("DO") that she (X.Yu) could transfer cash from New  
9 York to Los Angeles for a three and a half percent commission of the  
10 total amount transferred.<sup>1</sup> X.Yu explained that the cash is handed  
11 off to an associate in New York and can be released in Los Angeles  
12 within approximately two days. X.Yu also stated that she transmits  
13 money from the United States to China.

14           14. During the September 8, 2015, meeting, knowing that DO  
15 wanted to transfer illegal drug proceeds, X.Yu provided DO with a New  
16 York City telephone number with instructions on how to set up a money  
17 drop with one of X.Yu's associates in New York. X.Yu also provided  
18 her own Los Angeles telephone number.

19           15. The next day, on September 9, 2015, a DEA Special Agent  
20 acting in an undercover capacity (UC-1), called the New York City  
21 number and spoke with an individual later identified as Z.Lin. Per  
22 X.Yu's instruction, UC-1 stated that she was calling on behalf of  
23 "Mr. Wong" for "Little Brother." During the recorded conversation,  
24 UC-1 and Z.Lin agreed to meet at 6:30 p.m. that day at the  
25 intersection of Chatham Square and East Broadway in Manhattan, New  
26 York.

27 \_\_\_\_\_  
28           <sup>1</sup> At no time during the undercover operations between September  
2015 and November 2016 did X.Yu know that she was dealing with a DEA  
operative.

1           16. Shortly after 7:00 p.m. that day, UC-1 telephonically  
2 contacted Z.Lin and advised that s/he had arrived and was waiting at  
3 the agreed upon location. Z.Lin returned UC-1's phone call, and UC-1  
4 observed an Asian male on a cell phone looking toward UC-1's vehicle.  
5 Minutes later, Z.Lin entered the front passenger seat of UC-1's  
6 vehicle. UC-1 told Z.Lin that "Mr. Wong" had asked UC-1 to drop off  
7 "eight," meaning \$80,000 in United States currency, and UC-1 pointed  
8 to a white plastic bag containing a cardboard box that contained  
9 \$80,000.<sup>2</sup> UC-1 stated that Z.Lin should call "Big Sister" and tell  
10 her that Z.Lin was in receipt of the currency. Z.Lin asked detailed  
11 questions about "Big Sister," such as a description of the sound of  
12 her voice. To answer these questions, UC-1 had Z.Lin speak to DO  
13 over the phone about "Big Sister." Shortly thereafter Z.Lin took the  
14 bag containing \$80,000 from UC-1.

15           17. The next day, on September 10, 2015, DO met with X.Yu at  
16 the Fu Yi Store where X.Yu gave DO \$77,600, which was the \$80,000  
17 collected by Z.Lin less a three percent commission.<sup>3</sup>

18           ***ii. October 2015 Money Transmission***

19           18. Between October 1, 2015, and October 7, 2015, X.Yu and  
20 Z.Ling engaged in a bulk currency transfer similar to the September  
21 2015 money transmission. Z.Lin received \$120,000 from UC-1 in New  
22 York and, in turn, X.Yu gave \$116,400 to DO in Los Angeles at the Fu  
23 Yi Store, accounting for a three percent commission.

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27           <sup>2</sup> All currency referenced herein is United States currency.

28           <sup>3</sup> Such commissions customarily vary between two and four  
percent.

1                   **iii.   October 2015 Conversation**

2           19.   Later that month, on October 22, 2015, DO met with X.Yu and  
3 H.Lin at the Fu Yi Store and talked about X.Yu's money laundering  
4 activities with another marijuana dealer whose marijuana operation  
5 had been seized. X.Yu also mentioned that her associates in Canada  
6 were interested in the marijuana business. X.Yu further discussed  
7 her ability to transfer money between China and the United States for  
8 a five percent commission.

9                   **iv.   November 2015 Money Transmission**

10          20.   On November 11, 2015, X.Yu provided DO with another New  
11 York City telephone number to coordinate another money transmission  
12 between New York and Los Angeles.

13          21.   On November 12, 2015, X.Yu and H.Lin engaged in a bulk  
14 currency transfer similar to the previous money transmissions. H.Lin  
15 received \$100,000 from UC-1 in New York and, in turn, X.Yu gave  
16 \$98,000 to DO in Los Angeles at the Fu Yi Store, accounting for a two  
17 percent commission. During the money transfer X.Yu discussed her  
18 desire to start a marijuana business with DO. X.Yu also mentioned  
19 that a large marijuana seizure in New York was adversely affecting  
20 her business. X.Yu's daughter, T.Lin was present at the Fu Yi Store  
21 and witnessed both the money transfer and the conversation concerning  
22 the marijuana business.

23                   **v.   December 2015 Money Transmission**

24          22.   On December 28, 2015, DO called X.Yu to set up another  
25 money transmission between New York and Los Angeles.

26          23.   Between December 29, 2015, and December 30, 2015, X.Yu and  
27 Z.Lin engaged in a bulk currency transfer similar to the previous  
28 money transmissions. Z.Lin received \$190,000 from UC-1 in New York

1 and, in turn, X.Yu gave \$186,200 to DO in Los Angeles at the Fu Yi  
2 Store, accounting for a two percent commission. At the money  
3 transfer, X.Yu again expressed interest in starting a marijuana  
4 business with DO. H.Lin was present.

5 ***vi. January 2016 Bulk Cash Seizure***

6 24. On January 5, 2016, law enforcement officers stopped Z.Lin  
7 at Newark Liberty International Airport in Newark, New Jersey while  
8 he was on his way to board a flight to Burbank, California via  
9 Denver, Colorado. During the passenger screening process, officers  
10 of the Transportation Security Administration x-rayed and physically  
11 inspected Z.Lin's carry-on luggage and found \$45,000 in a McDonald's  
12 restaurant bag secured among articles of clothing. Z.Lin was asked  
13 in the Mandarin language about how much money he had, and he  
14 responded \$45,000. Z.Lin also stated that the money was wired to him  
15 by his cousin in China in November 2015 because his cousin planned to  
16 travel to California and needed the money to spend and gamble while  
17 in California. Z.Lin later stated that the money was given to him in  
18 New York, in person, by an individual who Z.Lin stated was his  
19 cousin's wife who lives in California. Z.Lin also said that he did  
20 not know why he previously said that the money had been wired to him.  
21 Z.Lin further stated that he works at his mother's store and provided  
22 the name and street address of the Fu Yi Store.

23 25. Law enforcement officers seized the \$45,000 and a certified  
24 narcotics detection canine alerted to the odor of illegal drugs on  
25 the currency.  
26  
27  
28

**vii. November 2016 Money Transmission**

26. On November 15, 2016, X.Yu provided DO a New York City telephone number to coordinate another money transmission between New York and Los Angeles.

27. Between November 15, 2016, and November 16, 2016, X.Yu and T.Lin engaged in a bulk currency transfer similar to the previous money transmissions. T.Lin received \$125,000 from an undercover agent ("UC-2") posing as DO's associate and, in turn, X.Yu gave \$121,875 to DO in Los Angeles at the Fu Yi Store, accounting for a two-and-a-half percent commission.

**C. ARREST AND SEARCH ON NOVEMBER 29, 2016**

28. While conducting surveillance on November 29, 2016, officers observed X.Yu arrive in a red Honda Odyssey ("Honda") and park in the rear parking lot of the Fu Yi Store.

29. Officers contacted X.Yu and placed her under arrest pursuant to an Eastern District of New York arrest warrant issued on November 29, 2016, for violations of 18 U.S.C. § 1956(h) (Money Laundering Conspiracy).

30. After arresting X.Yu, officers conducted a search of the Fu Yi Store. The store appeared to be selling dry or preserved goods, but was poorly lit and unkempt. The floors were dusty, the window blinds were bent, and the shelves appeared to be randomly stocked.

31. Officers seized \$47,379.00 in U.S. currency (the defendant currency) from the Fu Yi Store.

32. Later that day, Z.Lin arrived at the Fu Yi Store and was also arrested pursuant to an Eastern District of New York arrest warrant issued on November 29, 2016, for violations of 18 U.S.C. § 1956(h) (Money Laundering Conspiracy).



1           33. On March 3, 2017, a federal grand jury in the Eastern  
2 District of New York (Brooklyn) indicted X.Yu, on charges of money  
3 laundering conspiracy in violation of 18 U.S.C. § 1956(h). United  
4 States v. Yu, Case No. CR 17-118-RRM.

5                                   **IV. CLAIMS FOR RELIEF**

6           34. Based on the foregoing, plaintiff alleges that the  
7 defendant currency represents or is traceable to proceeds of illegal  
8 drug trafficking and/or was intended to be used in one or more  
9 exchanges for a controlled substance or listed chemical, in violation  
10 of 21 U.S.C. § 841 et seq. The defendant currency is therefore  
11 subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) and 21 U.S.C.  
12 § 881(a)(6).

13           35. Based on the forgoing, plaintiff also alleges that the  
14 defendant currency was involved in or traceable to money laundering,  
15 in violation of 18 U.S.C. §§ 1956 and 1957, with the specified  
16 unlawful activity being drug trafficking as enumerated in 18 U.S.C.  
17 §§ 1956(c)(7)(A) and 1961(1). The defendant currency is therefore  
18 subject to forfeiture under 18 U.S.C. § 981(a)(1)(A).

19           36. Based on the foregoing, plaintiff also alleges that the  
20 defendant currency was involved in or traceable to unlicensed money  
21 transmission, in violation of 18 U.S.C. § 1960. The defendant  
22 currency is therefore subject to forfeiture under 18 U.S.C.  
23 § 981(a)(1)(A).

24           37. WHEREFORE, plaintiff United States of America prays:

25           (a) that due process issue to enforce the forfeiture of the  
26 defendant currency;

27           (b) that due notice be given to all interested parties to  
28 appear and show cause why forfeiture should not be decreed;

1 (c) that this Court decree forfeiture of the defendant currency  
2 to the United States of America for disposition according to law; and

3 (d) for such other and further relief as this Court may deem  
4 just and proper, together with the costs and disbursements of this  
5 action.

6 DATED: May 22, 2017

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Acting United States Attorney  
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Assistant United States Attorney  
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STEVEN R. WELK  
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Chief, Asset Forfeiture Section

11 /s/Yasin M. Almadani  
12 YASIN M. ALMADANI  
13 Assistant United States Attorney

14 Attorneys for Plaintiff  
15 UNITED STATES OF AMERICA  
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VERIFICATION

I, James Young, declare and say that:

1. I am a Special Agent with the Drug Enforcement Administration.

2. I have read the attached Verified Complaint for Forfeiture and know the contents thereof.

3. The information contained in the Complaint is either known to me personally, was furnished to me by official government sources, or obtained pursuant to subpoena. I am informed and believe that the allegations set out in the Complaint are true.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

EXECUTED this 22 day of May 2017 at Los Angeles, California.

  
JAMES YOUNG  
Special Agent - DEA